

A STUDY ON CUSTOMER PERCEPTION ON LIFE INSURANCE POLICIES IN INDIA

(WITH REFERENCE TO PRAKASAM DISTRICT IN ANDHRA PRADESH)

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ABSTRACT

Insurance is related to the protection of the economic values of the assets. Every human being has the tendency to save to protect him from risks or events of future. Insurance is one form of savings where in people try to themselves against risks or uncertainties of future. Too many people in this country are not in employment and work for too many longer guarantees income security. Several millions are part-time, self employed and low-earning workers living under pitiable circumstances where there is no security cover against risk. Hence social security, protection of the family, economic empowerment to the poor and disadvantaged are integral part of the right to life. Insurance companies tend to have widely diversified portfolios and to focus on high-quality investments; thus they were relatively well protected initially during the period of financial turbulence, when asset value declines were concentrated in lower-quality and higher-risk assets.

Keywords; Values of the assets, Social security, Protection of the family, High-quality investment.

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1. INTRODUCTION

The Insurance industry in India has seen an array of changes in the past one decade. The economic scenario which emerged after globalization, privatization and liberalization has thrown a new challenge before the insurance sector. Insurance is a protection against economical losses arising due to an unexpected event. In any type of insurance coverage claim settlement plays very important part .claim settlement is an integral part of the insurance business. A claim settlements an agreement between two or more parties to settle a legal claim with payment and other terms. The most common form of claim settlement involves an insurance claims. An insurance claim is the only way to officially apply for benefits under an insurance policy. The customers know well about their rights and remedies, availability of various grievance Redresses mechanisms, progressive decontrol...The present study attempts customer perception on claim settlement services in life insurance companies. LIC of India is still leading life insurance provider. Due to strong management framework of claims settlement. Insurance industries in India nowadays have taken a giant shape especially after privatization and introduction of insurance regulatory and development authority (IRDA). The claim intimation should consist of basic information such as policy number, name of the insured, death of date, cause of death, name of the claimant etc. As the regulation 8 of the IRDA Regulation, 2002. The insurer is required to settle a claim with in 30day's of receipts of all documents including clarification sought by the insurer. If the claim requires further investigation, the insurer has to complete its procedure within 6 months from receiving the written intimation of claim.

The payment by the insurer to the insured on the date of maturity is called maturity payment. The amount payable at the time of the maturity includes a sum assured and bonus/incentives, and it is to be returned to the office along with original policy document, ID proof, Age proof if age is not already submitted, and any copy of climates' Bank book cancelled cheque. The life insurance policy can be attached with different rider like accidental rider, critical illness rider, Hospital cash rider, waiver of premium rider etc for critical illness, necessary medical documents such as first investigation report, Doctor Prescription, Discharge summary etc are required. For accidental disability rider, attested copy of FIR, Doctor Certificate of disability, original medical bills with prescription/treatment papers etc are required.

Life Insurance Corporation of India

The development of the life insurance market as positive effect on economic growth. The LIC was founded in 1956 when the parliamentary of India passed the life insurance of India act that nationalized the private insurance industry in India. LIC slogan is in Sanskrit “yoga kshemem waham yaham” which translated in English as “your welfare is our responsibility”. This is derived from the ancient Hindu text, the Bhaagawat geetha’s 9th chapter, 22nd verse. The life insurance industry started with a modest beginning in the year 1957 with 82 corers of funds. The business performance of life industry for the period ending 31-12 -1956 was 13 cores first year premium on 9.5 lakh policies. The no. of direct agents was 12387 in the year 1958. It is the 2nd biggest real estate after Indian railways. In term of policies paid 96.97% in the year of 2014-15 and 99.55.% in the year of 2015-16.

In this study is an attempt to Customer perception on life insurance policies with reference to Prakasam district in Andhra Pradesh. The present study observes the changing efficiency levels of the claim management in view of the changing scenario of insurance sector.

Objectives of the Study:

- To examine the Growth and Development of LIC in India
- To study on attempt to Customer perception on life insurance policies

Methodology and Data sources;

Data collection Data collection included both primary and secondary data are used.

Primary Data collection:-Primary data is collected by a survey of designing a structured questionnaire which is distributed to the selected claim holders. The Questionnaire mainly includes two types of questions and existing employees of LIC, LIC customers who have taken claims of their life insurance policies.

Secondary Data Collection:-The secondary data is collected from the organization website, journals, Textbooks etc., Most of the data is collected from books and some of the data is gathered from the websites.

Sampling method : Convenience sampling method

Limitation of the Study

Data for the study will collect from primary sources and secondary sources. The area of study is limited to Prakasam district in Andhra Pradesh. The selection of people for the questionnaire will be done on the basis of convenience sampling method. Here some people are did not aware about life insurance policy, so they could not give any positive feedback regarding insurance policies. The research got confined to the LIC of India from the Ongole and Markapur branch offices at various branches located within the district of prakasam only.

2. Review of literature

Review of literature is an important part in research work. From time to time, the researchers have devoted their time and energy to study the claim settlement procedures and performance of insurance companies.

Ghosh Amlan (2011)¹ inferred the relationship between life insurance sector reforms in India and the growth of life business in post reform period. It shows that the relationship between the insurance sector reforms and development of life insurance sector in India is bi-directional. It is due to huge potentiality of life insurance market.

M.Selva Kumar and J Vimal Priyan(2012)² concluded that LIC continues to dominate insurance sector. Private sector insurance companies also tried to increase their market share. Life insurance has today become a mainstay of any market economy since it offers plenty of scope for garnering large sums of money for long periods of time. The study compared premium, policies and market shares of companies.

¹ Ghosh Amlan (2011) Impact of reforms on Indian life insurance, The Indian Journal of Commerce, Vol 64(4): pp 86-96, ISSN 0019-512X

² M.Selva Kumar and Vimal Priyan(2012)A comparative study of public and private life Insurance companies in India,The Indian Journal of commerce,Vol.65(1),Jan-Mar 2012,pp81-87,ISSN 0019-512X

Kalani, Salunkhe and Ahirrao (2013)³ examined claim settlement ratio of LIC with other insurance companies in India. Study observed that there are cases of frauds in claim settlement that may happened but if the policyholder uses proper precautions he will prevent himself from fraud. LIC of India provides better corporate services for settling the customers claim. D-mat may improve transparency and efficiency of the claim settlement. Authors studied comparison of claim settlement ratio of LIC with other life insurance industry and survey of policyholders and opinion regarding claim settlement.

Yadav and Mohania (2013)⁴ the study entitled claim settlement of life insurance policies in insurance services with special reference of Life Insurance Corporation of India. Authors have focused on management framework o-f LIC for the settlement; impacts of claim settlement on the sale of life insurance policies by LIC of India, claim settlement process followed by LIC of India, awareness towards claim settlement among customers and analyze quality of service provided by LIC of India for claim settlement

Piyali Chandra Khan and Mitra D(2014)⁵ analyzed that the overall position of LIC was found to be quite satisfactory as the profit after tax improved by 270% in the last 12 years. It had strong liquidity position. The company had sufficient current assets to meet the current liabilities. This resembles that LIC is quite capable to earn superior return in this competitive environment.

3. Growth and Development of LIC in India

³ Kalani, Salunkhe and Ahirrao (2013) Comparative study of claim settlement ratio of LIC with other insurance companies in India, Indian Journal of Applied Research , Vol 3(5), May 2014, ISSN 2249-555X, pp 389-391

⁴ Yadav and Mohania (2013) Claim settlement of life insurance policies in insurance services with special reference of Life Insurance Corporation of India, Indian Journal of Economics and Development , Vol 1(1), Jan 2013, ISSN: 2320-9836 pp 29-37

⁵ Piyali Chandra Khan and Mitra D(2014) Liquidity risk assessment of Life insurance corporation of India, The Indian Journal of Commerce, Vol 67(2), Apr-June 2014, pp 55-63, ISSN 0019-512X

The life insurance corporation India regions 5 with its central office in MUMBAI and 8 zonal office at Mumbai, Calcutta, Delhi, Chennai, Hyderabad, Kanpur, Bhopal, and Patna operates through 113 divisional offices including one salary saving scheme(SSS) divisions at Mumbai, 2048 branch offices and 1,401 satellite offices and Mini office 1,240 and Employees 1,14,773 and agents 10,61,560 in the year of 2016.

Table:1 Details about LIC in India

Zonal office	8
Divisional office	113
Branch office	2,048
Satellite office	1,401
Mini office	1,240
Employees	1,14,773

Table:2 Growth and Development of LIC in India

sno	REGION	LIC ZONE	NO.OF DIVISION	ZONAL HEAD QUARTER	STATES
1	EASTERN REGION	EZ(48691)	12	Kolkata	WestBengal,Assam,Meghalaya,Sikkim, ArunachalPradesh,Nagaland,Tripura,Mizoram , Manipur & Andaman Nicobar (UT)
		ECZ(2941)	11	Patna	Bihar, Jharkhand, Odisha
2	SOUTHERN REGION (111241)	SZ(11124)	13	Chennai	Tamil Nadu, Kerala, Pondicherry (UT) & Lakshadweep (UT)
3	SOUTH CENTRAL REGION (90377)	SCZ(9037)	17	Hyderabad	Telangana, Andhra Pradesh & Karnataka
4	WESTERN REGION (88994)	WZ(88994)	22	Mumbai	Maharashtra, Gujarat, Goa, Dadra & Nagarhaweli(UT), & Daman & Diu (UT)
5	NORTHERN REGION (124828)	NZ(70958)	17	Delhi	Delhi, Haryana, Rajasthan, Punjab, Himachal Pradesh, Jammu & Kashmir & Chandigarh (UT)
		NCZ (26809)	12	Kanpur	Uttar Pradesh, Uttaranchal
		CZ (27061)	8	Bhopal	Madhya Pradesh, Chhattisgarh
TOTAL			112		

Apart from on-line Kiosks and IVRS, Info Centers have been commissioned at Mumbai, Ahmadabad, Bangalore, Chennai, Hyderabad, Kolkata, New Delhi, Pune and many other cities. With a vision of providing easy access to its policyholders, LIC has launched its SATELLITE SAMPARK offices. LIC's Gross Investments during 12th Five Year Plan Periods (2012-2017) 10,86,720 (Rs.in croc).

PMJDY Scheme's in India

Pradhan Mantri Jan Dhan Yojana was launched on 28.08.2014 for targeting comprehensive financial solution. Under this scheme Bank accounts were opened and benefits were given to the account holders. One of the benefits is providing the Life Insurance cover of ` 30,000/- for the Natural Death only through Life Insurance Corporation of India. There is also a benefit of Accident Insurance Cover of `1 lac, provided by Government through General Insurance Companies. For availing the Life insurance coverage of ` 30000/- * on death arising out of any cause under this scheme, a Person should be between 18 to 59 years of age and he/ she should have been enrolled under PMJDY between 15.08.2014 to 31.01.2015 & should be holder of RuPay Card.

PMJJBY Scheme's India

Pradhan Mantri Jeevan Jyoti Bima Yojana was announced in the Union Budget by the Hon. Finance Minister. The Scheme is a one year renewable group insurance cover with date of commencement 1st of June 2015. Premium per member is ` 330/- for the year 2015-16 which is reviewable annually. Benefit available is ` 2 lakhs life insurance cover on member's death due to any reason, payable to nominee. New enrollment is for age 18 years (completed) to 50 years (nearer birthday). After enrollment, coverage will be available up to age 55 (nearer birthday) for existing members. Bank is the master policyholder under the Scheme. LIC has tied up with 978 banks for promoting PMJJBY. So far we have covered 1.51 crores members under PMJJBY.

Golden Jubilee Foundation

Life Insurance Corporation of India is a statutory corporation established under Section 3 of LIC Act, 1956. LIC is always on the forefront in Nation building activities. In order to give a formal shape to our Community Development initiatives, LIC Golden Jubilee Foundation Trust was established in the year 2006, which is registered with Charity Commissioner under Bombay Public Trust Act 1950. The objectives of the Foundation are relief of poverty or distress, advancement of education, medical relief and provision of any other object of general public utility. The details of the amount disbursed as on 31.03.2016 for projects and Scholarship is follows.

LIC Golden Jubilee Scholarship Scheme is a unique example of Corporate Social Responsibility wherein Scholarships of `10000/- each per annum are awarded to meritorious students from economically weaker sections of society so as to provide them better opportunities for higher education in the field of Engineering, Medicine, Arts/Science/Commerce, Diploma Courses in any field and Vocational courses leading to immediate employment. Since inception of the scheme, total 13036 students have been benefited from the scheme. Scholarships are awarded through a fair & transparent selection process.

3.(i) Insurance Penetration and Density in India

Insurance penetration and density in India. The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium). During the first decade of insurance sector liberalization, the sector has reported consistent increase in insurance penetration from 4.8 per cent in 2006 to 5.20 per cent in 2009. Since then, the level of penetration was declining. However, there was slight increase in 2015 reaching 3.44 percent compared to 3.3 percent in 2014. A similar trend in the level of industry density which reached the maximum of USD 64.4 in the year 2010 from the level of USD 11.5 in 2001. During the year under review 2015, the industry density was USD 54.7.

The insurance density of life insurance business had gone up from USD 33.2 in 2006 to the peak at USD 55.7 in 2010. During 2015, the level of life insurance density was USD 43.2. Similarly, the life insurance penetration surged from 4.1 per cent in 2006 to 4.60 percent in 2009. Since then, it has exhibited a declining trend. However, there was a slight increase 2015 reaching 2.72 percent in 2015 when compared to 2.6% in 2014. Over the last 10 years, the penetration of nonlife insurance sector in the country remained steady in the range of 0.5-0.8 per cent. However, its density has gone up from USD 5.2 in 2006 to USD 11.5 in 2015.

Table:3 Insurance Penetration and Density in India

Year's	Life		Non-Life		Total	
	Density (USD	Penetration (percentage)	Density (USD	Penetration (percentage)	Density (USD	Penetration (percentage)
2006-07	33.2	4.1	5.2	0.6	38.4	4.8
2007-08	40.4	4	6.2	0.6	46.6	4.7
2008-09	41.2	4	6.2	0.6	47.4	4.6
2009-10	47.7	4.6	6.7	0.6	54.3	5.2
2010-11	55.7	4.4	8.7	0.71	64.4	5.1
2011-12	49	3.4	10	0.7	59	4.1
2012-13	42.7	3.17	10.5	0.78	53.2	3.96
2013-14	41	3.1	11	0.8	52	3.9
2014-15	44	2.6	11	0.7	55	3.3
2015-16	43.2	2.72	11.5	0.72	54.7	3.44

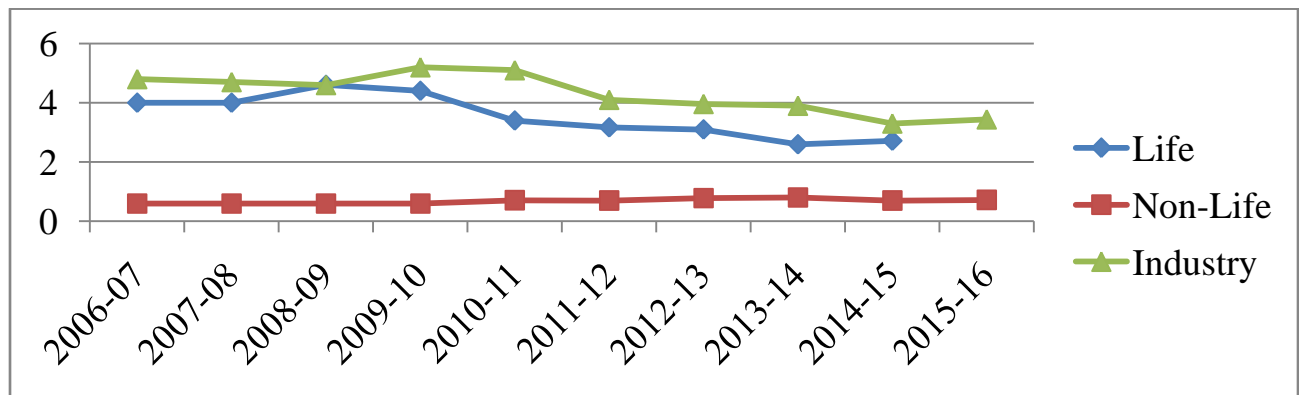
(Source: Swiss Re, Sigma No. 3/2016)

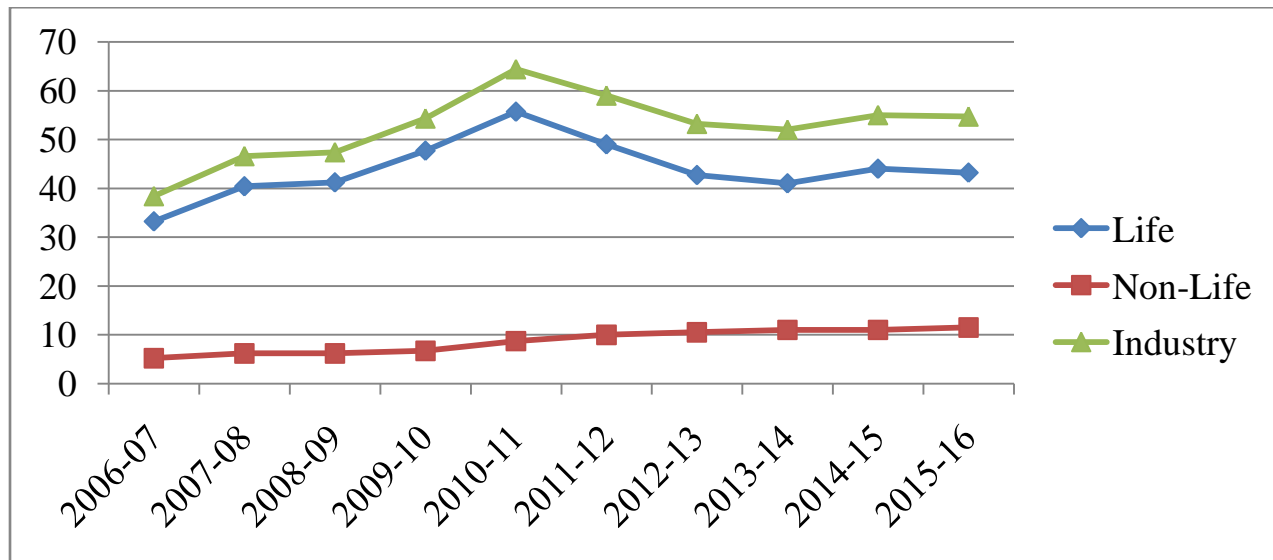
*Insurance density is measured as ratio of premium (in USD) to total population.

*Insurance penetration is measured as ratio of premium (in USD) to GDP (in US Dollars).

*The data of Insurance penetration is available with rounding off to one decimal from 2006.

Source: Swiss Re, Various Issues.

Graph: 1 Insurance Penetration

Graph: 2 Insurance Density**3.(ii) Premium underwritten: Life insurance**

Life insurance industry recorded a premium income of `366943.23 crore during 2015-16 as against `328102 crore in the previous financial year, registering growth of 11.84 per cent (4.39 percent growth in previous year). While private sector insurers posted 13.64 per cent growth (14.32 percent growth in previous year) in their premium income, LIC recorded 11.17 per cent growth (1.15percent growth in previous year). Unit-linked products (ULIPs) registered a growth of 12.62 percent premium from `41617.80crore in 2014-15 to `46871.58 crore in 2015-16. On the other hand, the growth in premium from traditional products was at 11.72 per cent, with premium `320071.65 crore as against `286484.20 crore in 2014-15. Accordingly, the share of unit-linked products in total premium increased to 12.77 per cent in 2015-16 as against 12.68 per cent in 2014-15.

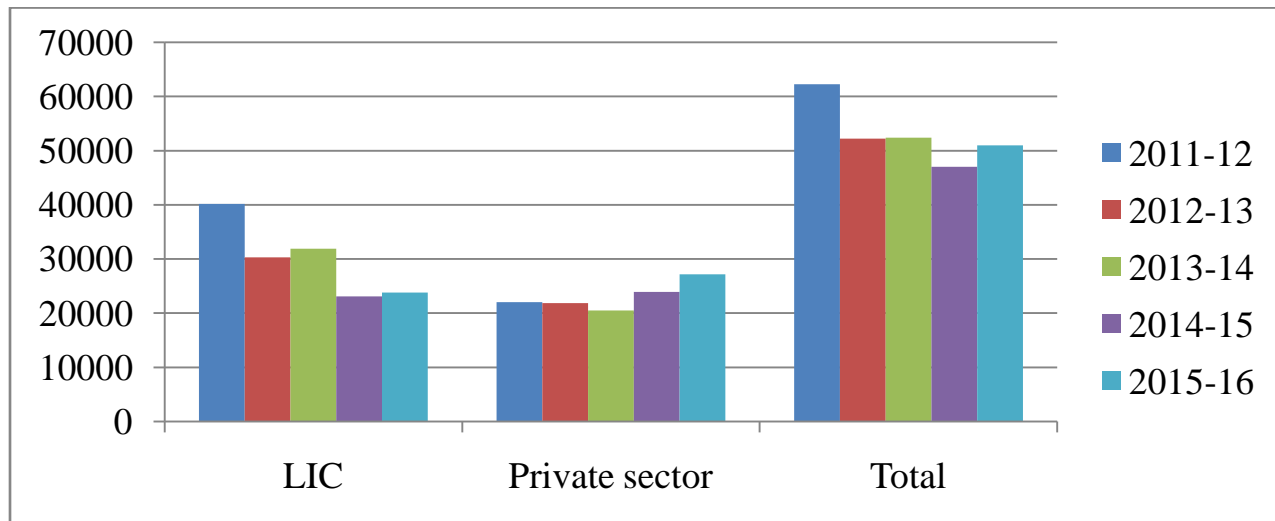
Table:4 Premium underwritten: Life insurers

Insurer	2011-12	2012-13	2013-14	2014-15	2015-16
Regular premium (1)					
LIC	40194.54 (10.83)	30313.52 (-24.58)	31904.49 (5.25)	23112.20 (-27.56)	23829.38 (3.10)
Private sector	22040.78 (-20.37)	21877.15 (-0.74)	20497.51 (-4.83)	23901.76 (16.61)	27149.32 (13.59)
Total	62235.32 (-2.67)	52190.67 (-16.14)	52402.00 (1.03)	47013.96 (-10.28)	50978.70 (8.43)
Single premium (2)					
LIC	41667.71 (-17.89)	46297.98 (11.11)	58904.30 (27.23)	55395.51 (-5.96)	74062.13 (33.70)
Private Sector	10039.14 (-14.24)	8872.43 (-11.62)	9018.92 (-2.08)	10920.05 (20.08)	13821.47 (26.57)
Total	51706.85 (-17.21)	55170.41 (6.70)	67923.22 (22.59)	66315.56 (-2.37)	87883.60 (32.52)
First Year Premium (3 =(1+2))					
LIC	81862.25 (-5.92)	76611.50 (-6.41)	90808.79 (18.53)	78507.71 13.55)	97891.51 (- (24.69)
Private Sector	32079.92 (-18.55)	30749.58 (-4.15)	29516.43 (-4.01)	34821.81 (17.97)	40970.79 (17.66)
Total	113942.17 (-9.85)	107361.08 (-5.78)	120325.22 (12.08)	113329.52 (-5.81)	138862.30 (22.53)
Renewal Premium (4)					
LIC	121027.03 (3.92)	132192.08 (9.23)	146133.51 (10.55)	161159.94 (10.28)	168552.70 (4.59)
Private Sector	52102.91 (6.81)	47649.33 (-8.55)	47842.93 (0.38)	53612.54 (12.06)	59528.23 (11.03)

Total	173129.94 (4.77)	179841.41 (3.88)	193976.44 (7.85)	214772.48 (10.72)	228080.93 (6.20)
Total Premium (5=(3+4)=(1+2+4))					
LIC	202889.28 (-0.29)	208803.58 (2.92)	236942.30 (13.48)	239667.65 (1.15)	266444.21 (11.17)
Private Sector.	84182.83 (-4.52)	78398.91 (-6.87)	77359.36 (-1.33)	88434.35 (14.32)	10049902 (13.64)
Total	287072.11 (-1.57)	287202.49 (0.05)	314301.66 (9.44)	328102.00 (4.39)	366943.23 (11.84)

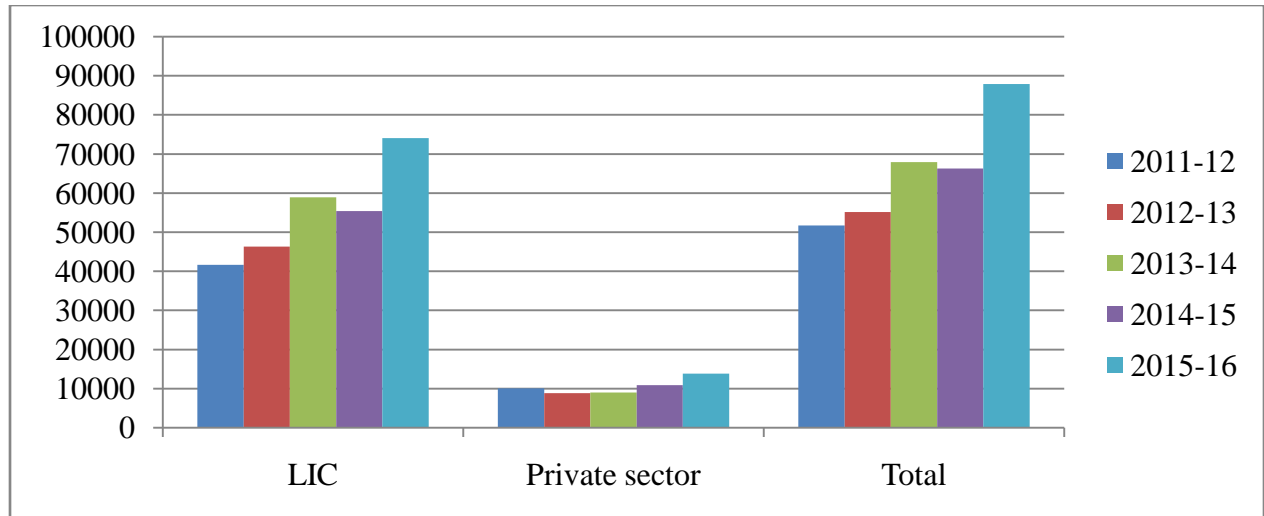
Note: Figures in brackets indicate the growth (in percent) over the previous year.

Graph: 3 Regular premium



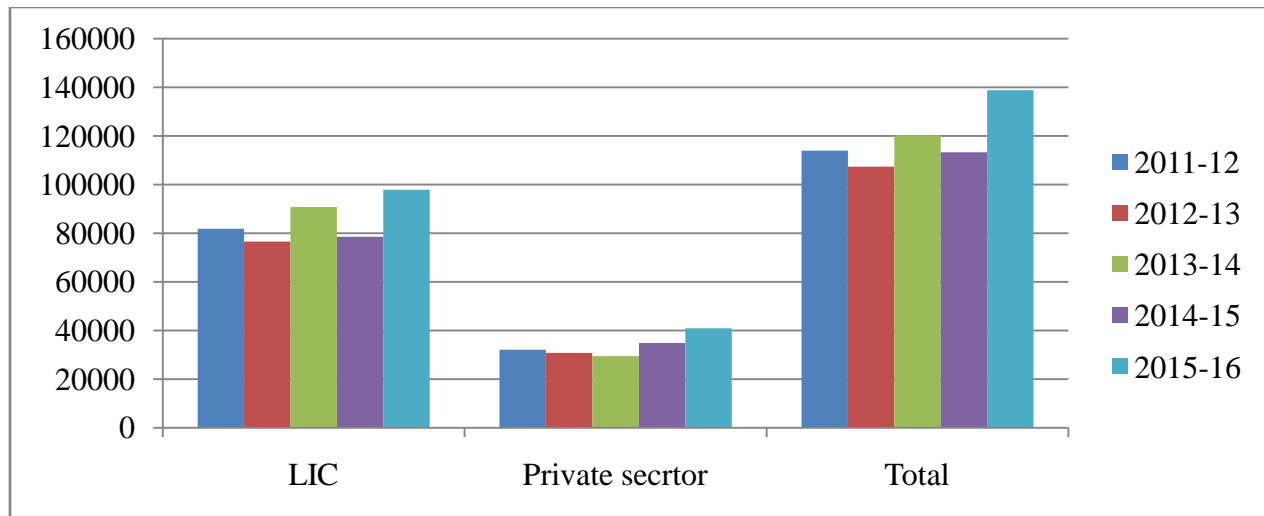
The regular premium registered 8.43 percent growth in 2015-16, as against 10.28 per cent decline in 2014-15. The private insurers registered a growth of 13.59 per cent (16.61 per cent decline in 2014-15); while LIC registered a growth of 3.10 per cent in the regular premium (27.56 per cent decline in 2014-15).

Graph: 4 Single premium



Further bifurcation of the first year premium indicates that single premium income received by the life insurers recorded a positive growth of 32.52 percent during 2015-16 (2.37 percent decline in 2014-15). Single premium products continue to play a major role for LIC as they contributed 27.80 percent of LIC's total premium income (23.11 percent in 2014-15). In comparison, the contribution of single premium income in total premium income during 2015-16 was 13.75 percent for private insurance companies (12.35 percent in 2014-15).

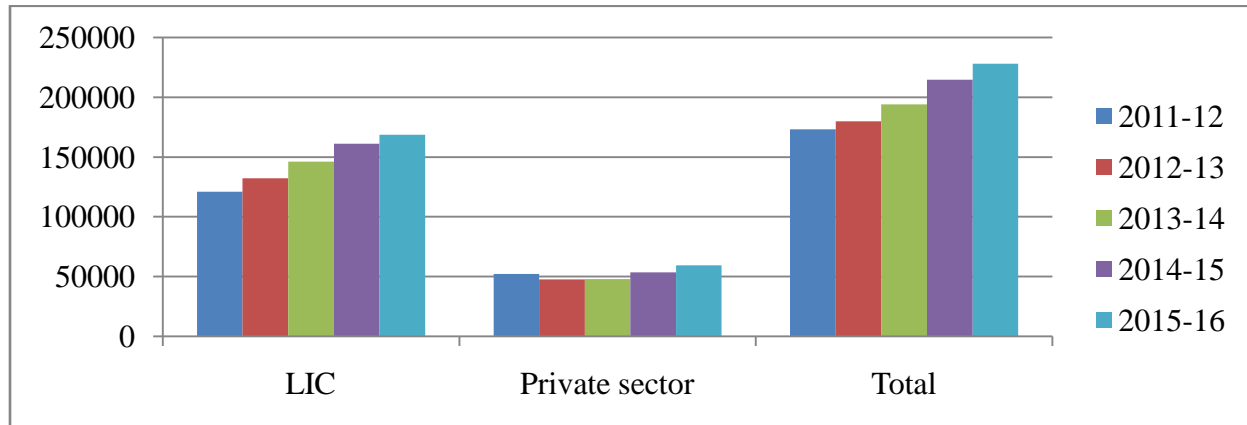
Graph: 5 First Year Premium



The first year premium indicates that income received by the life insurers recorded a positive growth of 22.53 percent during 2015-16 (-5.81 percent decline in 2014-15). First year premium products continue to play a major role for LIC as they contributed 27.80 percent of LIC's total premium income (18.53 percent in 2013-14). In comparison, the contribution of

premium income in total premium income during 2015-16 was 22.53 percent for private insurance companies (17.26 percent in 2014-15).

Graph: 6 Renewal Premium



While renewal premium accounted for 62.16 per cent (65.46 per cent in 2014-15) of the total premium received by the life insurers, first year premium contributed the remaining 37.84 per cent (34.54 percent in 2014-15). During 2015-16, the growth in renewal premium was 6.20 per cent (10.72 per cent in 2014-15). First year premium registered a growth of 22.53 per cent in comparison to a decline of 5.81 per cent during 2014-15.

3.(iii) Death Claims for Life Insurance Business:

Individual Life Insurance

In the year 2015-16, the life insurance companies had settled 8.54 lakh claims on individual policies, with a total payout of `12,636.66 crore. The number of claims repudiated/rejected was 15,157 for an amount of ` 736.51 crore. The number of claims pending at the year-end was 6,031 and the amount involved was ` 444.23 crore. Of these, 1189 claims were pending for more than one year and 4,842 claims were pending for less than and up to one year.

The claim settlement ratio of LIC was better than that of the private life insurers. Settlement ratio of LIC had increased to 98.33 percent during the year 2015-16 when compared to 98.19 percent during the previous year. The percentage of repudiations has come down to 0.98 percent in 2015- 16 compared to the 1.15 percent in previous year.

For private insurers, settlement ratio had gone up by 2.08% at 91.48 percent during the financial year 2015-16 when compared to 89.40 percent during the previous year. The percentage of repudiations has come down to 6.67% in the year 2015-16 compared to the 7.78% percent in previous year.

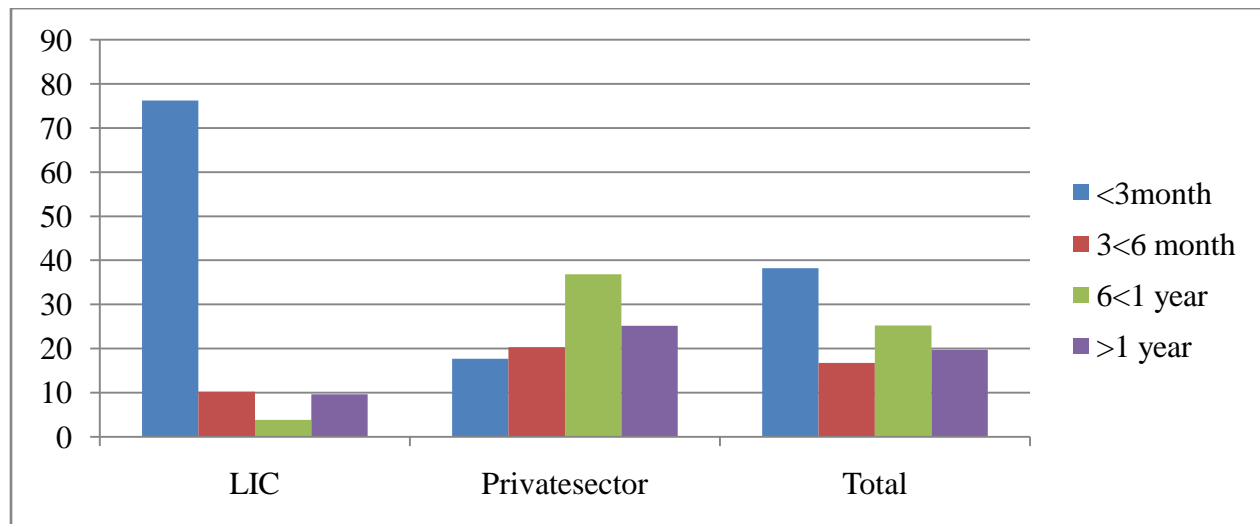
Table:5 Individual death claims of life insurers during 2015-16

(Figures in percent of policies)

Life insurer	Total Claims	Claims pending	Claims repudiated/rejected	Claims written back	Claim pending at end of year	Break up claims pending duration wise (Policies)			
						<3month	3<6 month	6<1 year	>1 year
LIC	100.00	91.48	6.67	0.00	1.85	76.24	10.20	3.87	9.68
Private Sector	100.00	98.33	0.98	0.17	0.51	17.71	20.34	36.82	25.14
Industry Total	100.00	97.43	1.73	0.15	0.69	38.25	16.78	25.25	19.71

The industry's settlement ratio had slightly increased to 97.43 percent in 2015-16 from 96.97 percent in 2014-15 and the repudiation ratio had decreased to 1.73% compared to the 2.08 percent in 2014-15.

Graph: 7 Individual death claims



3.(iv) Group Life Insurance:

During 2015-16, the total intimated claims were 5,45,337 while 14,388 claims were pending at the beginning of the year. Out of these, life insurance industry had settled a total of 5,28,638 (96.94% of the total claims) claims. 96.28% of the settled claims were settled within 30 days of intimation. 0.01% of the claims took more than a year to get settled.

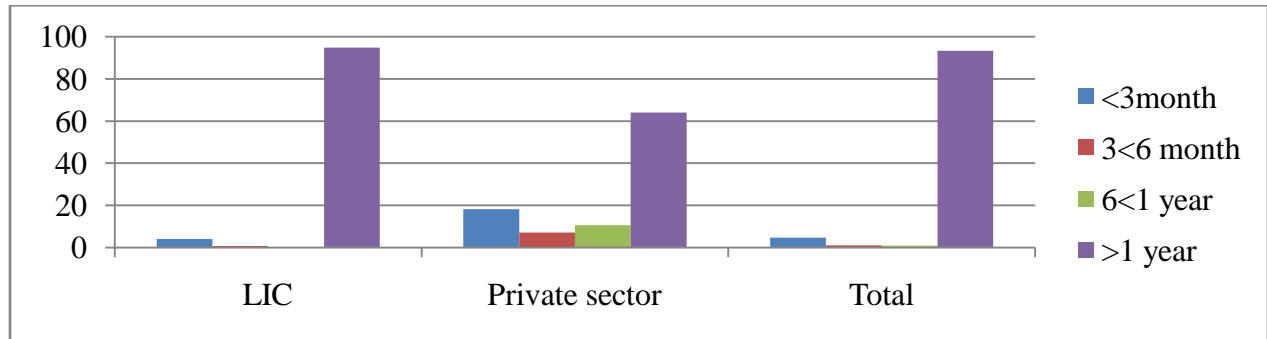
Group Death claims pending for more than one year with respect to the Future Generali Life Insurance Company (12414) as at 31.03.2016 accounts for 96.23 per cent of total Life Industry's Group Claims pending for more than one year (12900) as at 31.03.2016. Barring Future Generali's pending claims, pending claims of all other insurers put together comes at 486. Out of the 12414 pending group death claims of Future Generali Life Insurance Company, 12371 are under litigation and are sub-judice.

Table:6 Group death claims of life insurers during 2015-16**(Figures in percent of lives covered)**

Life insurer	Total Claims	Claims pending	Claims repudiated/ Rejected	Claims written back	Claim pending at end of year	Break up claims pending duration wise (Policies)			
						<3month	3<6 month	6<1 year	>1 year
LIC	100.00	94.65	0.93	0.00	4.42	4.10	0.69	0.36	94.85
Private Sector	100.00	99.69	0.04	0.00	0.27	18.24	7.14	10.64	63.98
Industry Total	100.00	96.94	0.53	0.00	2.53	4.77	1.00	0.85	93.38

While LIC settled 99.69 percent of the claims, the private life insurers paid 94.65 percent of all claims. The industry repudiated 0.53 percent of the claims, written back zero percent of the claims and the remaining 2.53 percent of the claims were pending as at 31.3.2016.

Graph: 8 Group death claims



Expansion of Offices

The decreasing trend of number of life insurance offices (which had continued until 201213) had reverted from 2013-14 and there is an increase in 2015-16 at 11071 from 11033 of the previous year.

Table:7 Number of life offices

(As on 31st March)

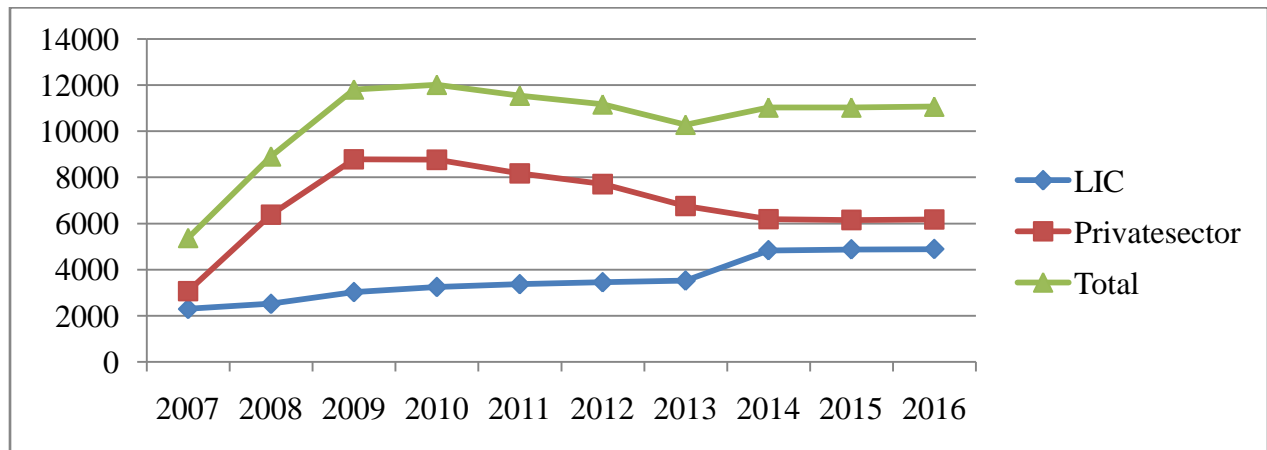
Insurer	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
LIC	2301	2522	3030	3250	3371	3455	3526	4839	4877	4892
Privatesector	3072	6391	8785	8768	8175	7712	6759	6193	6156	6179
Industry	5375	8913	11815	12018	11546	11167	10285	11032	11033	11071

Note: 1) Data collected from life insurers through a special return.

2) Office as defined under Section 64VC of the Insurance Act, 1938.

3) For similar data for 2001-2007, refer IRDA Annual report for 2007-08.

Graph: 9 Number of life offices in graph



It is observed that majority of offices of life insurers are located in Semi-Urban towns which are with a population between 10,000 to 99,000. Around 49% of life insurance offices are located in these small towns. This fact remains similar for both private sector (38.4% of the offices in semi-urban towns) and public sector life insurer (61.5% of the offices in semi-urban towns). After the Semi-Urban towns, majority of the life insurance offices i.e. 31.8% are located in Urban towns with a population between 1,00,000 to 9,99,999. This applies to both private sector (35.2% of offices in Urban towns) and public sector life insurer (27.6% of offices in Urban towns).

4. Customer Perception that on Insurance policies, Claims, Schemes and Services

1). Have you taken any Life insurance policies?

SNO.	Opinion	Respondents	In percentage
1	Yes	65	65
2	No	35	35
Total		100	100%

When asked about life insurance policies out of 100 respondents, The policy holder opinion for Yes are 65 and Un- policy holder opinion 35 for No.

2).What is overall perception about LIC of India?

SNO.	Opinion	Respondents	In percentage
1	Positive	78	78
2	Negative	22	22
Total		100	100%

When asked about overall perception about LIC of India out of 100 respondents, Agents and Educator opinion for positive are 78 and 22 for Negative.

3). Under Delay in Claim Settlement Process?

SNO.	Opinion	Respondents	In percentage
1	Yes	63	63
2	No	37	37
Total		100	100%

When asked about Delay in Claim Settlement Process out of 100 respondents, Claim settlement holders opinion for Yes are 63 and Claim Pending 37 for No.

4). Is LIC of India is leading service provider in life insurance?

SNO.	Opinion	Respondents	In percentage
1	Strongly agree	58	58
2	Strongly Disagree	0	0
3	Agree	32	32
4	Dis agree	10	10
Total		100	100%

When asked whether LIC of India is leading service provider in life insurance, out of 100 respondents, Agents opinion for Strongly agree 58, Policy holders Agree are 32 and Customers Disagree are 10 and Strongly disagree is 0.

5). What scheme of insurance policy have you taken?

SNO.	Opinion	Respondents	In percentage
1	Whole life	56	56
2	Endowment plus	29	29
3	Money back	15	15
Total		100	100%

When asked what scheme of insurance policy have you taken, out of 100 respondents, Private employee opinion Whole life are 56, Self -Business holder Endowment plus are 26 and 15 are Money back policy holders.

6). Satisfaction level towards services offered by LIC?

SNO.	Opinion	Respondents	In percentage
1	Fully satisfied	75	75
2	Partially satisfied	20	20
3	Not satisfied	5	5
Total		100	100%

When asked about Satisfaction level towards services offered by LIC, out of 100 respondents LIC Policy holders Opinion for Fully satisfied are 75, Agents Partially satisfied are 20 and 5 Customers are Not satisfied.

7). Are you aware of Pradhan Mantri Jeevan Jyoti Bima Scheme (PMJJBS)?

SNO.	Opinion	Respondents	In percentage
1	Well aware	20	20
2	Slightly	18	18
3	Not sure	22	22
4	Don't know	40	40
Total		100	100%

When asked about aware of Pradhan Mantri Jeevan Jyoti Bima Scheme (PMJJBS), here out of 100 respondents, opinion for Govt employees Well aware are 20, Educators Slightly are 18, Policy holders Not sure 22 and Un-Policy holders don't know aware are 40.

Findings

- LIC's Gross Investments during 12th Five Year Plan Periods (2012-2017) 10,86,720 (Rs.in croc).
- Under Scheme of PMJDY There is also a benefit of Accident Insurance Cover of `1 lac, provided by Government through General Insurance Companies.
- Under Scheme of **PMJJBY** Premium per member is ` 330/- for the year 2015-16 which is reviewable annually. Benefit available is ` 2 lakhs life insurance cover on member's death due to any reason, payable to nominee.
- Overall perception about LIC of India out of 100 respondents, opinion for positive are 78 and 22 for Negative.
- Satisfaction level towards services offered by LIC, out of 100 respondents Opinion for Fully satisfied are 75, Partially satisfied are 20 and 5 Not satisfied.

Suggestions

- LIC should provide better training to its agents and Provide additional funds to its development officers and policy holders.

- Claim settlement process should be made fast and must not involve lengthy decision making process.
- Life insurance policies should be updated regularly and it will help full for growth of insurance sectors
- The Insurance companies which fail to claim settle would definitely attract less business.
- Claim settlement strategy promotes customer loyalty as it help to develop customer perception.

Conclusion

LIC dominates the Indian insurance industry. In today's competitive world, customer satisfaction has become an important aspect to retain the customers, not only to grow but also to serve. Increased competition, wide range of product offerings and multiple distribution channels cause companies to value satisfied and highly profitable customers. Customer service is the critical success factor in a company and providing top notch customer service differentiates great customer service from indifferent customer service.

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